(d) if so, whether Government has taken cognisance of drawbacks in the scheme and with what results?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) Yes, Sir. Investigations into alleged misuse of the scheme, by this firm are in progress. However, evidence available with Government does not warrant the conclus on that the VABAL Scheme as a whole is being operated illegitimately.

(b) No, Sir.

(c) and (d) The scheme envisages duty free imports of essential inputs required for export production. There is also flexibility bilt into the Scheme. Hence, it would not be correct to presume that there is a loss to revene.

The Scheme is continuously monitored with a view to taking remedial measures whenever drawbacks are noticed in its operations. The Scheme has again been recently reviewed and fresh guidelines have been issued for its effective implementation.

Agreements Signed with U.S.A.

858. SHRI IQBAL SINGH: Will the Minister of COMMERCE be pleased to state:

(a) whether India and the United State of America have signed any agreements in the areas of energy, petrochemicals, telecommunications and health services etc.;

(b) if so, the details thereof and reasons therefor; and

(c) the Government's reaction thereto?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) and (b) During visit of Mr. Ronald H. Brown, United States Secretary of Commerce to India in January 1995, India and the USA signed an MOU on the formation of the Indo-US Commercial Alliance. 25 Chief Executive Officerr of large American companed accompanied Mr. Ron Brown in this visit and signed or announced number of MOUs/agreements etc. in different sectors including Power, Telecommunications, Petrochemicals. These understandings when implemented are likely to result in increased Indo-US trade and commercial ties.

(c) The Government has welcommed the increased interest of US Government and industry in investing in the infrastructure sector in India and increasing bilateral trade.

Problems in Getting up of Joint ventures in Nepal

859. SHRI GUNDAPPA KORWAR: Will the Minister of COMMERCE be pleased to state:

(a) whether any procedural problems are discouraging Indian investors for setting up joint ventures in Nepal;

(b) if so, the reasons therefor; and

(c) the steps taken by Government to streamline the procedures?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) No, Sir.

(b) and (c) Do not arise.

Exemption of Cess on Spices

860. SHRI S. AUSTIN: Will the Minister of COMMERCE be pleased to state:

(a) whether Government propose to continue the exemption of cess on spices;

(b) if so, the details thereof; and

(c) if not the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM); (a) to (c) Cess on exports of spice oils, oleoresins and saffron already stands exempted upto 30.9.1995. Exemption of cess in case of pepper (except green pepper in brine) which was earlier available upto 31.3.1995 has further been exended upto 30.9.1995.